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SUBJECT: CANADA'S FIRST NATIONS ELECT A NEW GRAND CHIEF;
PATH OPEN FOR A RENEWED DIALOGUE WITH OTTAWA

1. Summary: Canada's Assembly of First Nations (AFN) met for their 24th annual meeting on July 15-17 and elected Phil Fontaine to a three-year term as National Grand Chief. Chief Fontaine, a self-described conciliator, brings a less confrontational style than his predecessor, Matthew Coon Come, to First Nation relations with the federal government. He is, however, on record as opposing the First Nations Governance Act, one of three First Nations bills currently under consideration by Parliament. Some politicians, and even some aboriginals themselves, have recently questioned whether the AFN adequately represents aboriginal people to the government of Canada (GOC). The election of a more conciliatory Grand Chief, and the prospect of a new Prime Minister, who may be more willing to listen to the concerns of the AFN, will augur for an improved dialogue between Ottawa and the First Nations. End Summary

2. Canada's Assembly of First Nations (AFN) met for their 24th General Assembly July 15-17. Phil Fontaine defeated incumbent Matthew Coon Come to reassume, after a three-year interim, the position of National Grand Chief. The AFN, viewed by its members as a type of parliamentary gathering, is comprised of the 633 First Nation chiefs, each of whom represent a tribe or band. It is comprised of status First Nation chiefs, who represent some 650,000 - 700,000 "status" natives, but critics claim it represents the chiefs themselves (some of whose positions are hereditary) more than the First Nation rank and file. The GOC does not recognize the First Nations as a separate nation, but rather as another "order of government" like the provinces. Order of government is used instead of level of government (which refers to provinces and municipalities) in order to avoid a connotation of hierarchy.

3. In the past, Minister Robert Nault of the Department of Indian Affairs described the AFN as ineffective and irrelevant, and "structurally incapable of working with the government." Many observers describe the AFN as more as a lobby group than an effective legislative body, and in the campaign Fontaine rued the fact that the AFN had been "marginalized" and had been made of "little or no consequence to Ottawa." Dwindling attendance at the annual meetings has become a problem, as it is becoming a problem for the Assembly, as the rank-and-file perceived they were no longer being represented.

4. Three candidates ran for the position Grand National Chief: Roberta Jamieson (a lawyer and First Nation civil rights advocate), Matthew Coon Come (the incumbent Grand Chief), and Phil Fontaine, who had served as Grand Chief prior to the election of Coon Come in 2000. Mr. Coon Come, whose confrontational negotiating style was said to have repeatedly alienated federal officials, was dropped after the first ballot when he only earned 18 percent of the vote. Fontaine won the election in the second round with 292 of 550 votes, edging out Ms. Jamieson, who had positioned herself midway between her two rivals. Phil Fontaine campaigned on the promise to work with the government, instead of alienating it with "noisy rhetoric," but has declared his opposition to the First Nations Governance Act, Bill C-7, which is an important piece of legislation currently before Parliament. Our contacts in the Department of Indian Affairs and Northern Development (DIAND) are complimentary regarding Mr. Fontaine's abilities, but say it is premature to comment on how his election would affect the substance of GOC-AFN relations, particularly regarding the possible passage and implementation of C-7.

5. Minister for Indian Affairs Nault introduced the First Nations Governance Initiative in 2001 as a way to modernize the Indian Act of 1867, and provide first nations people with better governance. It is meant to make native leadership more accountable, and to open up the voting process to aboriginals living off of the reserves. While many of the chiefs in the Assembly are opposed to Bill C-7, the First Nations Governance Act, federal officials claim it is an important, long-overdue piece of legislation which will permit natives to improve their quality of life. Other critics go farther and suggest that the chiefs' opposition is based on a desire to protect inappropriate privileges and powers.

16. During his campaign, Fontaine acknowledged the need for changes in First Nation affairs, but he called Bill C-7 regressive. He sees poverty as the underlying cause for many of the problems the First Nations face. It stands to reason that the AFN would not support the legislation; many Assembly representatives see their role and status as being threatened by the law, which would essentially disband the Assembly in favor of an allegedly more effective group. The Director of International Affairs at the AFN told the embassy that the real issue behind the bill is not accountability of the chiefs, but the need for self-governance. According to this view, most chiefs do not have problems with accountability and, in fact, spend much of their time writing reports and keeping others aware of their actions. Many within First Nation communities see the bill as a continuance of assimilation policies they oppose, saying it imposes non-native cultural structures onto native groups. At the same time, they are tired of not having a say in how their governments operate. To remedy this, the AFN proposed the First Nations Plan, an internal initiative that would review the structure of the AFN, voting, and other First Nation governmental issues without GOC involvement.

17. Paul Martin, who is expected to become the Liberal Party's leader in November and Prime Minister shortly thereafter, has his own reservations regarding Bill C-7. He received wide praise among native leaders for blocking the passage of the bill this spring by filibustering in committee. He does not want it to proceed without further consultation with the First Nations. Martin stated that the proposed legislation "severely poisoned the well of federal-aboriginal relations," noting that the government, in pushing ahead with the legislation despite an AFN boycott announced in 2001, had created a quagmire." (Note: Bill C-7 is considered a part of the so-called "legacy legislation" of the outgoing Prime Minister, Jean Chretien, himself a former Minister of Indian Affairs, who may recommend quick passage when Parliament returns to work in September.)

18. Comment: The AFN is a diverse and unwieldy group, not surprising given Canada's huge geographical expanse, its propensity for regional political discord, and the varying governance structures currently in place among its First Nations. The Assembly is essentially a lobby group whose prestige rises and falls with its ability to influence policy. Much of the recent decline is attributed to former AFN Chief Matthew Coon Come whose acerbic style alienated potential allies within the Department of Indian Affairs. The Department delivered a strong signal last year when it cut the AFN's GOC-derived funding in half, ostensibly because of his inability to work effectively with the GOC. Martin, the Prime Minister-in-waiting has not only earned the AFN's gratitude by questioning C-7 and announcing that would seek equal representation for the AFN in all federal-provincial meetings, but he has also reflected a conciliatory, consultative management style. The stage is set for a renewed dialogue, even though some tension will likely remain.